

## **From a 10-point plan to an existential crisis – predictions and facts about the evolution of the European Union's priorities since 2014**



As the 2016 State of the Union speech was approaching, many wondered what the President of the Commission would focus on this year, which issues he would discuss in detail and which he would omit. If one wanted to make some credible predictions, it was worth taking a brief look at the actions taken by the European Commission over the past two years, in order to observe the

shifts in the EU's priorities reflected in President's previous plans and speeches. This short article attempts to predict what the speech of the State of the Union 2016 could or should have contained in view of the political development between July 2014 and 2016, and then compares this assessment with the actual content of the 2016 State of the Union speech. By doing so, it stresses the somewhat telling and sometimes questionable choices of the European Commission at nearly mid-term.

### **Optimistic start**

In 2014, before commencing his first term as President of the European Commission, Jean-Claude Juncker presented an ambitious 10-point plan outlining the development of the EU during his presidency. The issues varied, ranging from renewable energies to increasing the capacities of FRONTEX, from investing in a Digital Single Market to striking a free trade deal with the U.S.A. Some of the points came with already drawn up proposals and while all ten of them were to some extent addressed by the Commission in the following year, priorities clearly changed, resulting in less attention being paid to issues such as social policies and democratic change.

One needs to remember that in 2014 the state of affairs in the world and the EU itself was different from that of the year to come. 2014 was the year in which numerous dangerous processes took root, but had not yet shown their true colours at the time of Juncker's election. By mid-2014 the refugee crisis had not yet revealed its enormous scale (there were almost no arrivals of refugees in Greece and monthly arrivals in Italy did not exceed 25,000 people), the war in Donbass was still in its early months, the international community had not yet realised the true power of ISIL and David Cameron was calmly pondering the idea of a Brexit referendum in order to boost the support for the Conservatives ahead of the 2015 elections.

In his plan Juncker could therefore focus more on internal matters; bringing stability back to the financial sector and strengthening the Eurozone was one of the priorities. Other matters included fighting youth unemployment and poverty, facilitating labour mobility, promoting

social market economy and initiating democratic change in order to make the EU more transparent and bring it closer to its citizens. Even though these are the issues directly affecting European citizens, especially the more socially disadvantaged groups, they were until summer 2016 moving, if at all, at the bottom of the EU agenda.

### **Managing old and new crises**

In 2015, external problems and foreign affairs took over. Juncker's first State of the Union speech was haunted by one word—refugees. What had merely been one of ten points in the 2014 plan, included on the list somewhere between aiming at achieving the union of justice and making the EU a stronger global actor, turned into the biggest challenge in the history of the Union. The President of the Commission was not mincing his words. There was some praising but there was also plenty of reproach. Juncker expressed his disappointment at the fact that Italy, Greece and Hungary were left alone in their struggle to cope with the ever increasing number of migrants, and added that the EU was not making enough effort to help countries such as Turkey, Lebanon and Jordan, which are burdened with much larger numbers of refugees.

This issue should have occupied a central spot again in this year's State of the Union speech. True, 2016 brought some serious developments in terms of tackling the refugee crisis, and yet Member States remained incapable of acting together and putting a definite end to it. An agreement with Turkey, brokered by Germany in March, has been widely criticized, even though it has led to a sharp decrease in the number of migrant arrivals. Seeing that its continued implementation is at risk, as some Member States do not wish to accept the refugees and current relations between the EU and Turkey are quite ambiguous, a strong message from the Commission regarding further steps would have been expected.

The second issue Juncker paid special attention to in 2015 was Greece and the Stability Support Programme signed in August after “weeks of talks, small progress, repeated setbacks, many crisis moments, and often a good dose of drama”. This achievement was particularly important because ending the financial crisis in Greece would mean that the Commission's fight to stabilise the Eurozone and its defence of the irrevocability of Greek membership in the Monetary Union had been successful. Nonetheless, there was still much more work to be done and in early September 2016 we would have expected the President to talk about further actions taken with regard to Greece and the Eurozone as a whole. The development of the banking union and its Single Supervisory and Single Resolution Mechanisms, as well as the need to “clean the banks” without increasing public debts, deserve close attention. What was likely to be omitted though, or downplayed, as regards the sphere of finance, was TTIP and its future, as the world awaits the US presidential elections with anxiety.

International conflict management was another topic which was not part of the 2014 agenda, yet occupied an important place in the 2015 speech. ISIL had started posing a real threat to international stability. The EU's engagement in managing the situation in Libya was also considered crucial. Special attention was granted to Ukraine. The war in Donbass, despite numerous mediation efforts, had not ended. Moreover, due to the emergence of other international crises it had partially lost the attention it certainly needed. This year, in light of

the recent NATO summit and ever stronger disagreements regarding prolonging EU sanctions against Russia, the neighbourhood policy should have been one of Juncker's main focus points again. In parallel, given the military tensions around Europe and in Africa, the crucial issue of the European Defence Policy was most likely to be included, as a strong step forward is needed at last.

### **Fighting for justice and social welfare**

An issue which should receive a bit more attention than before is tax avoidance, thanks to a recently completed Commission investigation of Apple's tax agreements with the government of Ireland. The Commission's conclusion, which was "unfavourable" to the Irish government, sparked a European-wide debate on tax benefits granted to selected businesses in other EU countries. As the Commission continues to investigate tax ruling practices of different Member States and takes aim at some of the biggest multinationals, it was probable in late summer 2016 that Juncker wanted to make it clear that its hard tax policy were not just empty words, and if Europe still represents social and economic fairness, fighting for a genuine EU-wide tax policy is a priority.

In a Commission with few if any social policy credentials under Barroso, the earlier promise by Juncker to develop a Social Pillar in 2017 was hopefully not going to be forgotten. The EU has little capacity to change welfare state policies but it can turn from a discourse of mere austerity towards a discourse of solidarity and social progress. European citizens have had enough of being considered as an insignificant element in current economic policies and the shadow of the Welfare State is looming large over national politics. Was the Commission going to signal at last that it had a strong social policy which would revive the faith within Member States?

### **Facing the "existential crisis"**

Despite their unquestionable importance, in our opinion none of the abovementioned issues had high chances of gaining the top position on Juncker's list, for there had been a revolution in the form of the Brexit referendum. The decision made by almost 52% of those who voted on the 23<sup>rd</sup> of June shocked the whole world. But it also showed how deep social divisions run, even in the seemingly most open EU Member States, and how far the shadow of euroscepticism has already reached. The referendum and its aftermath made the EU realise that, despite all external problems the Union has to deal with, the greatest danger to solidarity and further prosperity might come from within and might be caused by widespread dissatisfaction among those who, in electoral terms, constitute a majority. Seeing that euroscepticism thrives on both sides of the English Channel, the topic of maintaining unity and changing the EU to address the needs of those who doubt its value was expected to be in the spotlight of the 2016 State of the Union speech.

### **An (un)expected speech**

We made a lot of predictions in this article. And quite a few of them turned out to be wrong. First and foremost, there was not much talk about Brexit. The strongest message the President

of the Commission delivered on this subject was that without allowing the free movement of persons and goods the United Kingdom had no chance of gaining access to the Internal Market after it leaves the EU. Juncker also reassured international partners that the EU was not at risk of a breakdown following the results of the British referendum and encouraged the UK to trigger article 50 as soon as possible. However, that was all the President had to offer on this topic. Not much attention was paid to Ukraine either. Apart from promising help to farmers affected by sanctions imposed by Russia, Juncker did not propose any ideas as to how the current impasse could be resolved. Instead, he turned towards Syria, calling for an increased EU presence at the negotiating table. Predictably, he also devoted a lot of time to discuss combatting terrorism and protecting EU borders. Among his ideas are: creating a European Border and Coast Guard, reinforcing Europol and establishing a European Travel Information System. As we rightly thought, one of the important points was the creation of a common defence system for Europe. Pooling defence capabilities and military assets, as well as establishing a single headquarters for joint European operations, would in his opinion enable the EU to defend itself "both home and abroad".

Refugees, the main focus of Juncker's 2015 speech, also faded into the background. TTIP was not mentioned either, as was predicted in this article. On the other hand, we did not predict that Juncker would bring back one of the key points of his 2014 plan: the development of digital technologies. He proposed fully deploying 5G across the EU by 2025, and providing free access to WiFi in public places by 2020. Although he talked about a "social market economy" at one point and there were clear proposals on youth and unemployment, his speech curiously omitted the idea of a "Social Pillar". Juncker remembered that topics such as social well-being, youth unemployment, the possibility to find financing for one's project and getting a fair pay for one's work are the ones that European citizens truly care about. But we are far from a more ambitious social policy.

As predicted earlier, tax evasion received its well-earned attention, when Juncker took the opportunity to publicly scold Apple for not paying its taxes. He also presented some new projects, such as the Investment Plan for Africa and the Neighbourhood, motivated by the success of his Juncker Plan, and the European Solidarity Corps, enabling young people to volunteer in response to natural disasters and humanitarian crises.

Nonetheless, there are certain matters which should constitute the basis of the EU's functioning, yet they have been forgotten since 2014 when the current President took office and published his 10-point plan. Making the Union more democratic and transparent is one of them. Focusing on fundamental rights and ensuring that the EU Charter of Fundamental Rights is being respected is another.

Pressured by the ever stronger attacks from eurosceptics and nationalists, Juncker combined ambitious principles and a whole series of practical "tangible" measures in State of the Union speech of 2016. Nevertheless, these measures seem to be too small to guarantee any solid impact at a time when the Commission asks for minimal budget reinforcement in the revision of the Multi-Financial Framework. Juncker's 2016 speech has actually gone rather unnoticed in most of the national and international media in Europe...